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STATE FOR WHA/CAR DESK OFFICER JOCELYN MACK-WILSON

E.O. 12958: DECL: 09/01/2019
TAGS: [BF](#) [ECON](#) [EFIN](#) [ETRD](#)
SUBJECT: CHINA CHAIRMAN BANGGUO TO VISIT; SIGN MAJOR
ECONOMIC AGREEMENTS WITH THE BAHAMAS

REF: A. NASSAU 180
[1](#)B. NASSAU 041
[1](#)C. NASSAU 107
[1](#)D. NASSAU 493
[1](#)E. EMAIL AUGUST 20 MACE-DUBEL

Classified By: Charge d'Affaires, a.i., Zuniga-Brown for reasons 1.4(b)
and (d).

[1](#)1. (U) China,s Chairman of the Standing Committee of the National People,s Congress and the country,s second-highest ranking party officer, Wu Bangguo, will make an official visit to The Bahamas September 3-6 to sign three major trade and investment agreements with the GCOB. These agreements include an investment promotion and protection agreement, a loan framework agreement through the Chinese Exim Bank for the construction of a highway to the international airport in Nassau and an economic and technical cooperation agreement for the construction of the national stadium. Bangguo is the highest ranking Chinese official ever to visit the Caribbean and will bring with him a delegation of over 150 people, including Chinese Ambassador to The Bahamas Hu Dingxian and 18 journalists. The high-level visit will include courtesy calls on Governor-General Hanna, Prime Minister Hubert Ingraham, President of the Senate and Speaker of the House of Assembly.

[1](#)2. (C) Ministry of Foreign Affairs officials noted that some of the agreements, such as one pertaining to the national stadium, had been under negotiations for some time. However, the investment promotion and protection agreement, which addresses the &conditions for creating, stimulating, encouraging, promoting, improving and protecting investment by Bahamian and Chinese investors⁸, is relatively new. There has been no further public discussion of possible Chinese Exim Bank financing of the Baha Mar Resort project in Nassau (Ref A). The Chinese Deputy Chief of Mission Yijian Li recently told PolChief that ongoing discussions with the GCOB concerned the Chinese request to bring 4000 plus workers to participate in the construction of the project. Li noted that the GCOB has been clear that it has serious reservations about such a high number of foreign workers, especially during the current economic conditions.

[1](#)3. (U) The delegation will travel to Phoenix, Arizona on September 6. On August 17, the Chinese Embassy requested the Chairman and his delegation, together with their baggage be exempted from security checks and receive appropriate courtesies when they go through formalities for entry into U.S. from The Bahamas(Ref D). The Department advised Post by email that US Customs and Border Protection (CBP) and State Department Protocol will meet and clear the aircraft upon arrival in Phoenix (Ref E). US CBP Nassau will not pre-screen the aircraft or passengers in Nassau.

[1](#)4. (C) COMMENT: This high-level visit continues to illustrate

the increased presence and financial investment by the Chinese government in The Bahamas. In addition to the national stadium, which is already under construction, there are plans to build a new Embassy compound, renovate the Ambassador,s residence, fund road improvements and possibly provide almost USD 3.2 billion towards the Baha Mar project. They have also initiated university scholarships and opened a Confucius Classroom at the College of the Bahamas. The Chinese firm, Hutchinson Wampoa, owns half of one of the largest transshipment ports in the world and the international airport both located in Freeport, Grand Bahama (Ref B). While it is unclear what affect these investments will have on the long-term relationship between China and The Bahamas, the sizable Chinese capital investments during the current economic downturn have bought considerable goodwill.

ZUNIGA-BROWN